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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

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State Department review completed

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(Information as of noon EST, 23 February 1967)

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## FAR EAST

The trend toward moderation in Communist China's "cultural revolution" remains evident, with Premier Chou En-lai apparently the most influential force in this development. Domestic pronouncements now emphasize the need for conciliation with those who did not rush to the Mao camp, and show a new concern with restoring orderly processes, especially in preparing for the spring planting season. As Peking moves toward moderation and compromise, overt opposition in the provinces has dropped off.

Propaganda exchanges with the Soviet Union also continue on a lower pitch than prevailed early in February. The contest continues, however. Soon after a visit to Peking by Vietnamese, People's Daily reasserted a very hard line of the necessity for a US withdrawal before negotiations could be considered.

In Saigon, the Constituent Assembly's settling on 35, rather than 40, as the minimum age for the president in the new civilian government has given a green light to Premier Ky's aspirations for office, and at least indirectly marks a victory for him over chief of state Thieu, the other prospective military candidate. The Constituent Assembly's more even balancing of the division of powers between the executive and legislative branches has allayed some concern among Saigon's military leaders that the executive's hands might be tied.

Sukarno's hands, however, have now been completely tied. In the face of steadily mounting pressure, he has turned over all his powers to General Suharto, while retaining the empty title of president. Even this may be stripped from him when the Congress meets in special session on 7 March.

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## VIETNAM

Allied troops and Communist main force units have engaged in heavy fighting in the western highlands of II Corps and in the coastal lowlands of I Corps. On the South Vietnamese political front, the Constituent Assembly is demonstrating a willingness to compromise on fundamental constitutional issues.

In southwestern Kontum Province, battalion-size or larger elements of the 1st North Vietnamese Army (NVA) Division offered stiff resistance to the Cambodian border surveillance operation, SAM HOUSTON, of the US 4th Infantry Division. In four days of sporadic but heavy combat from 15 to 19 February, 221 enemy troops were killed in contrast with American losses of 69 killed and 69 wounded.

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Prisoner interrogations [ ]

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[ ] indicate that major elements of the 1st and 10th NVA Divisions--which normally operate in the Pleiku/Kontum/Cambodia triborder region--are continuing reconnaissance and preparation of the battlefield in both southwestern Kontum and northwestern Pleiku, probably in the hope of mounting attacks on allied forces if the situation becomes advantageous.

On 16 February, ten allied battalions launched a three-pronged offensive (South Vietnam's Operation LIEN KET 81, South Korea's Operation GIANT DRAGON, and US Operation RIO GRANDE) designed to disrupt the activities of the 2nd and 3rd NVA Divisions in the heavily populated coastal lowlands of northeast Quang Ngai Province. Spearheaded by seven South Vietnamese (ARVN) battalions, which bore the brunt of major combat, the allied campaign resulted in Viet Cong/NVA losses of 446 killed and 152 weapons captured before ending on 22 February. ARVN casualties stand at 44 killed, 189 wounded, and two missing; two Koreans and four US Marines were reported killed.

Concurrent with the allied drive in northeast Quang Ngai, battalion-strength US Marine amphibious forces launched Operation DECK HOUSE VI targeted against suspected major seaborne infiltration points along the southeastern coastal portion of the province. By 23 February, 134 Viet Cong had been reported killed, as against light US losses.

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25X1 [ ] confirmed earlier reports that enemy plans in Quang Ngai Province called for diversionary attacks by the 2d NVA Division in the northern and central regions in coordination with and support of a major 3d NVA Division offensive in the Duc Pho district of southern Quang Ngai.

One phase of this Communist campaign may have been reflected in an attack on Korean Marine positions northwest of Quang Ngai city on 15 February by elements of two regiments of the 2d NVA Division. An ARVN division headquarters in the provincial capital was simultaneously shelled with mortar fire. In assaulting the Korean positions, however, the attacking force lost at least 243 killed. The failure of this attack, coupled with the recently initiated series of allied spoiling operations in Quang Ngai, may have seriously disrupted Communist plans for a major offensive thrust in the province.

#### South Vietnamese Politics

Since its ten-day Tet holiday break, South Vietnam's Constituent Assembly has moved to divide powers more evenly between the legislative and executive branches of the future government, thus apparently satis-

fying military leaders who interpreted the assembly's initial working draft as having outlined an overly powerful legislature. Emergency powers and the authority to appoint some categories of high officials have been transferred from the legislative branch to the executive. In addition, the assembly considerably stiffened the conditions under which the legislature could dismiss the prime minister and other appointed cabinet officials.

Among noteworthy provisions dealing with the executive branch, the assembly decided by a 61 to 22 margin to set a minimum age of 35 for presidential candidates. A proposed alternative --a minimum age requirement of 40--would have automatically ruled out Premier Ky's candidacy.

Should the assembly continue to take a middle road in resolving the remaining constitutional issues, it is entirely possible that military leaders will consent to the assembly's continuing as a provisional legislature in the new government. On past occasions, Ky has publicly raised this possibility, and provisions for such a development are already included in the last chapter of the assembly's initial draft of the constitution. [ ]

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## SUKARNO RELINQUISHES AUTHORITY IN INDONESIA

President Sukarno's turnover of his remaining authority in Indonesia should considerably ease the pressures that have accompanied the nominal sharing of power with General Suharto during the past 11 months. His bowing is a personal triumph for Suharto, who has consistently maintained that the downgrading of Sukarno should be a gradual process.

As long as Sukarno remains as titular president, however, some of the old problem of executive duality may remain. His behavior in his new role probably will largely determine the extent of further measures against him. The most immediate test will come in the emergency session of Congress still sched-

uled to begin on 7 March to debate Sukarno's position.

General Suharto probably will try to persuade Congress not to bring Sukarno to trial for his alleged involvement in the abortive coup of October 1965. Suharto's remarks to service commanders on 23 February stressed that "justice" must be the guideline for congressional action with the rights of both Sukarno and his accusers taken into consideration.

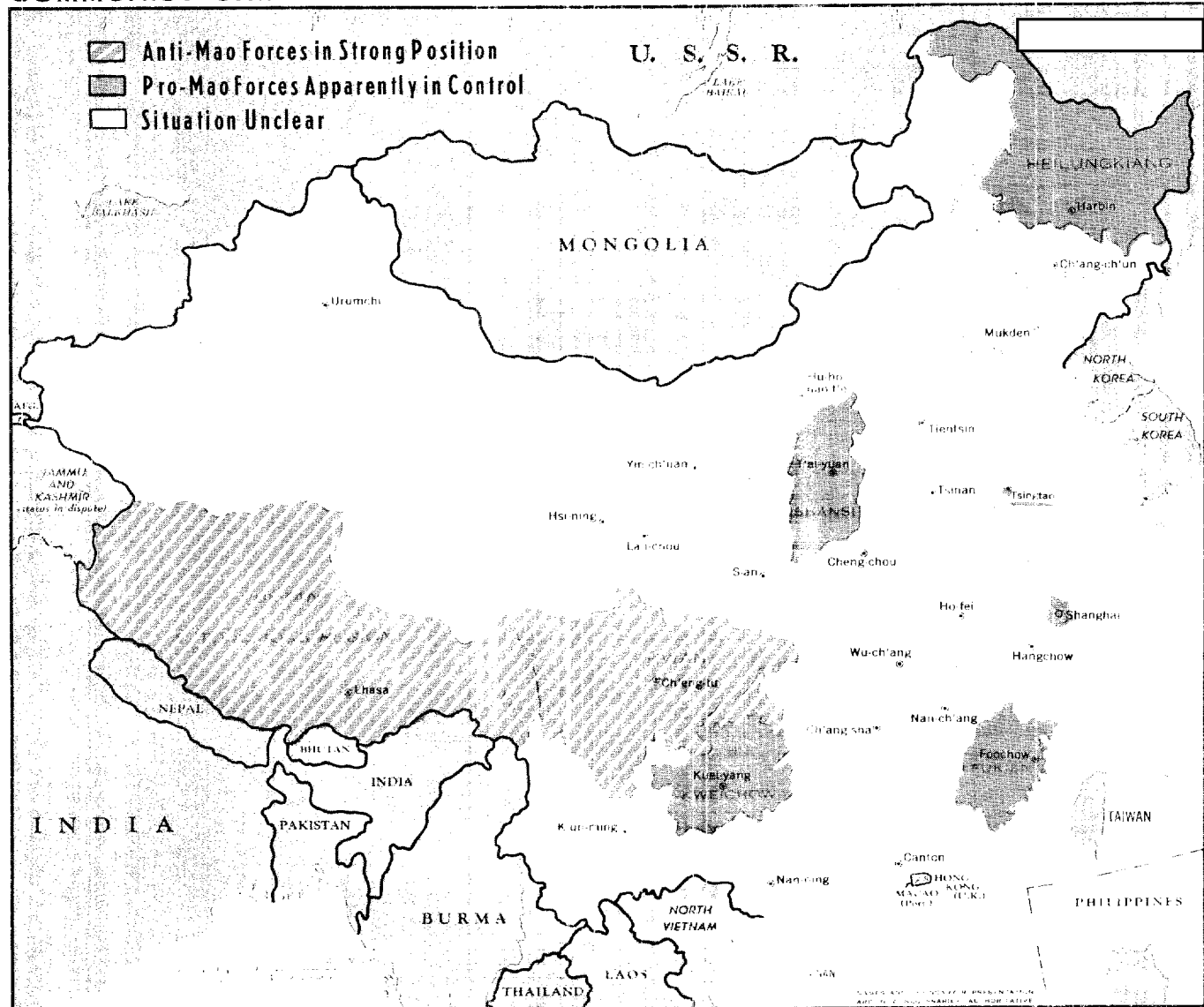
Pro-Sukarno elements, including those in East Java where they are strongest, have not yet reacted to the announcement. The Indonesian Army has judged that there would be no trouble if Sukarno "voluntarily" stepped down, as he now has seemed to do.

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# COMMUNIST CHINA



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## TREND TOWARD MODERATION IN COMMUNIST CHINA

Efforts by Peking to curb the Red Guards, to moderate the "cultural revolution," and to repair the badly damaged party apparatus appear to be gaining strength. Premier Chou En-lai has been taking a prominent role in this campaign--which reflects views that he has apparently been pushing for months. His current activity suggests that Chou has gained stature at the expense of Lin Piao, Mao's designated deputy since last August.

According to posters, Chou has been issuing instructions to "revolutionary" elements on how to seize power. Hitherto, such orders have been attributed to Lin and Mao. Chou is even providing guidance on the handling of the "cultural revolution" in the army, seemingly a prerogative of Defense Minister Lin Piao.

Lin has not appeared in public since late November. By contrast, Chou has been very active attending rallies and making important speeches. He accompanied Mao in each of the chairman's two public appearances--meetings with foreign visitors--since November. Press references to Lin diminished sharply after he dropped from public view. He is still acclaimed as Mao's "close comrade in arms" but is not depicted, even in Red Guard posters, as providing firm guidance for the course of the

"cultural revolution." His principal activity reported through posters has been to issue an occasional statement denouncing military figures. In recent weeks, many senior military officials have come under heavy poster attack. Some were defended by Chou, but none by Lin.

In late January, Madame Mao explained to a group of Red Guards that Lin was unable to appear in person at such meetings because he was suffering from influenza. It is possible that Lin, in chronic poor health for years, has been too sick to play an active role in recent weeks, and his illness may have contributed to his apparent political decline. Another element may be the uneven support given to Mao and the "cultural revolution" by Lin's army.

During the past week, Peking has issued a spate of new directives designed to put an end to confusion. Many reinforce earlier orders, but in stronger terms. They instruct "revolutionary" forces to disband organizations not approved by the central committee, to stop attacking party officials, and to include important party officials in take-over organizations. Industrial workers were again ordered to stay on the job and not leave to engage in political

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activities. A 19 February directive, backed up by numerous broadcasts, instructed rural areas to concentrate on preparing for the busy farm season ahead.

Peking is making a strong effort to restore the morale and authority of party officials, a group that has been systematically denigrated in the past nine months. Peking has made it clear that it will not recognize any group that seizes power unless it is a "tripartite alliance" of party cadre, army officers and "revolutionary" elements. A Red Flag editorial of 22 February again stressed that party cadres are a "precious asset," stating that the "great majority" have come through the "cultural revolution" with flying colors and that "even cadres who have committed serious mistakes should be treated leniently."

The most dramatic instance of the apparent rehabilitation of a senior official who had been labeled a "bourgeois revisionist" was reported in a poster seen in Peking on 21 February. According to this poster, Chou En-lai--citing Mao's approval--recently told a group of Red Guards that Peking first secretary Li Hsueh-feng was being given another chance. Li came under

intense and sustained Red Guard attack in November and December, and it was assumed that he had been purged. Chou reportedly said, however, that Li has been sent to Tientsin to deal with the troublesome situation there.

Since only a handful of party officials anywhere in China have been identified as "revolutionary cadres," it is unclear which ones will be retained in positions of authority. The backgrounds of a few who have emerged in the provinces suggests that the criterion for selection is not possession of an unblemished "revolutionary" record. Four provincial party secretaries, praised in recent broadcasts and in Red Guard posters, were men who had been demoted for "rightist" tendencies in the Leap Forward era.

As Peking indicates a willingness to compromise, disorder and opposition continues to be reported in a few provinces and appears to be greatest in the far western provinces of Tibet and Szechwan. Red Guard posters continue to claim that bloody incidents are still taking place in these provinces and that local army units are responsible.

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## EUROPE

The Eighteen Nation Disarmament Committee (ENDC) resumed sessions in Geneva this week with difficult negotiations ahead over the draft nonproliferation treaty. The USSR has refused to join the US in submitting treaty formulations for ENDC consideration until a complete text is available for review in Moscow. Opposition among the EURATOM countries to treaty provision for international safeguards remains a major obstacle to completion of the draft text.

Delegates from 19 European Communist parties convened in Warsaw to complete preparations for a spring conclave of all European parties. The ostensible purpose of the meeting was to formulate agreed positions on questions of European security, but China and the Vietnam war probably were discussed as well. Rumania, Yugoslavia, and Albania, along with four Western European parties, opposed the meeting and did not send delegations.

There was a contretemps in Moscow last week over the question of the antiballistic missile (ABM). An article in Pravda described ABM deployment as a new stage in the arms race and something the USSR was prepared to discuss. This was considerably more positive than Kosygin's public position in London a week before. [REDACTED]

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[REDACTED] It seems that the Soviets are having some trouble getting their lines straight on the ABM question. [REDACTED]

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## SOVIETS REACT TO US OPERATIONS IN THE BLACK SEA

Two US destroyers operating in international waters of the Black Sea from 16 to 19 February were subjected to heavy air surveillance and occasional harassment by surface units of the USSR after Turkey, despite a Soviet protest, took no steps to prevent their passage through the Bosphorus.

The USSR has been pressing Turkey since 1945 for a stricter interpretation of the 1936 Montreux Convention which gave Turkey authority to govern transit of the Turkish straits. Intermittent Soviet protests have led Ankara to a strict enforcement of the terms of the treaty which limit the size and armament of nonbelligerent warships passing into the Black Sea.

In January 1966, the US guided-missile frigate Yarnell and the conventionally armed destroyer Forrest Royal operated in the Black Sea. The Soviets did not protest their entry but kept them under surveillance by air and surface units.

The US scheduled the recent four-day operation to include the USSR Ingraham and the antisubmarine rocket - armed USS Hawkins. Early on 16 February, the two

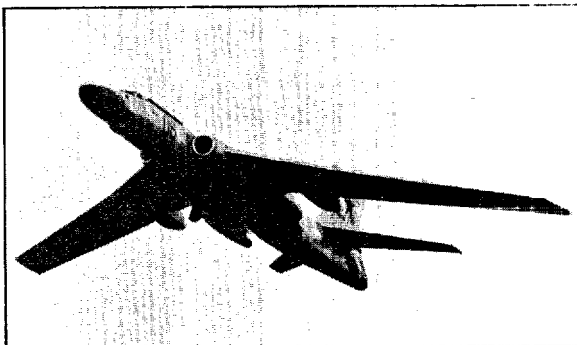
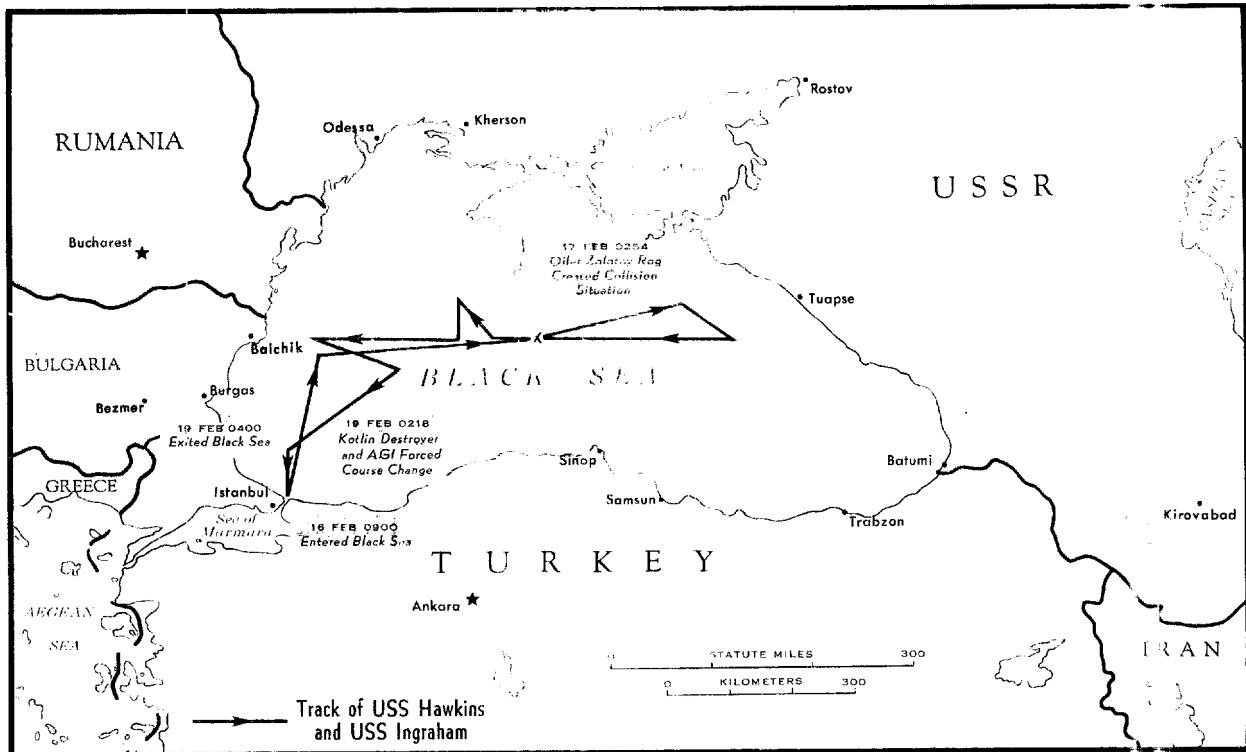
US destroyers passed through the Bosphorus without incident.

Soviet forces did not react to the presence of the destroyers until the next day. Almost continuous overflights by Black Sea Fleet Badgers and Blinders started before dawn on the 17th. This is the first surveillance of US naval forces by the super-sonic-dash Blinder medium bomber. Air activity was heavy during daylight hours, but decreased at night with only one or two aircraft on station.

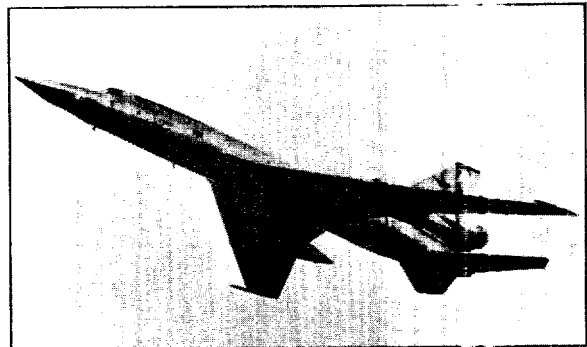
Soviet ships twice forced the US destroyers to change course and increase speed to avert a collision. On the 17th, a Pevek-class oiler evidently made a deliberate attempt to collide with the Hawkins, although the Soviet vessel was required to yield right-of-way under the International Rules of the Road. A Soviet Kotlin-class destroyer teamed with an intelligence collection ship to force the Ingraham to change course just before the two US destroyers left the Black Sea on the 19th. This kind of harassment of US ships operating near Soviet coasts is normal, but the Soviet units usually adhere to the rules of the road.

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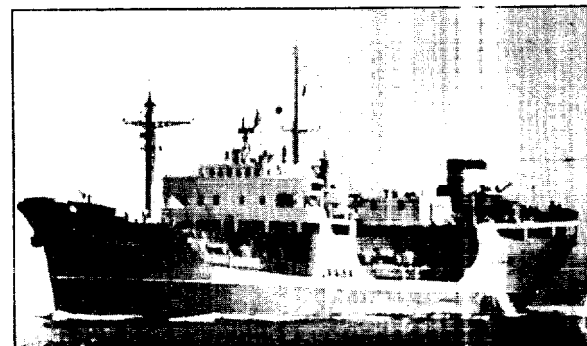
Badger



Blinder



Kotlin-class Destroyer



Pevek-class Oiler

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Although Moscow's protest to Turkey was intended primarily to support the Soviet interpretation of the Montreux Convention, it also fits into the larger pattern of Soviet policy toward Turkey, which applies both a carrot and a stick. Premier Kosygin's visit to Turkey last December represented the cordial aspect of this approach. At the same time, Moscow, in its efforts

to weaken US-Turkish ties, misses no opportunity to play on Turkish sensitivity and to point the Turks toward a re-evaluation of their collaboration with the US in the military area. Soviet behavior in this latest incident served as a reminder to Ankara that its continued close association with the US hinders the "normalization" of its relations with Moscow.

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## PRIME MINISTER WILSON'S VISIT TO BONN

In Bonn last week, Prime Minister Wilson found the Germans in a dilemma over Britain's effort to join the EEC. Although they want Britain in, just now they want even more to avoid a confrontation with France. By an early bid, Britain could precipitate such a confrontation.

Wilson reportedly convinced Chancellor Kiesinger, who apparently had had some doubts, that he is sincere about joining both the Common Market and an eventual European political community. The British argued that development of a "political Europe" was an essential element in East-West detente and thus conformed to

the new direction in Bonn's foreign policy. Wilson also went over ground earlier covered in Rome, Paris, and Brussels on Britain's problems with agriculture, capital movements, and trading ties with New Zealand.

The Germans announced after the visit that they would attempt--within the framework of Franco-German consultation procedures--to overcome French doubts on British entry. Nevertheless, Kiesinger gave Wilson no specific advice on timing his future moves. The chancellor stressed the importance of "preparing the way with the French with utmost care and choosing

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precisely the right time," possibly hoping Wilson will delay a formal approach to the Six.

The UK-EEC question is in the meantime being complicated by other issues. Bonn's reluctance to continue to provide offset payments may lead London to reduce its force levels in West Germany just at a time when it wishes to stress its commitment to the Continent. An Italian official also observed last week that although British support for a nuclear nonproliferation treaty (NPT)--with which both Italians and Germans have difficulties--does not bear directly on the question of UK entry into the EEC, it nevertheless might work indirectly to sap some of the UK's support. The French are exploiting the concern within the Community over the alleged detrimental effects on European unity of the NPT. The Germans may find it awkward to argue with Paris for British entry in the EEC while confronted with the line--which they share to a de-

gree--that London's backing for the NPT is inconsistent with its professed desire to "join" Europe.

Back in Britain, Wilson's problems within his own party over the EEC issue may be re-emerging. Statements by two "antimarket" ministers while Wilson was in Bonn pointed up the latent opposition to the government's pro-EEC direction. Most observers hold that Wilson can overcome such opposition, but it tends to weaken the image of a united British public opinion that Wilson has attempted to foster on the Continent.

Wilson and Foreign Secretary Brown visit the Netherlands early next week. Dutch support can "indeed be taken for granted," according to a high Foreign Ministry official, and the real subject for discussion will be what the British should do next. It is a good question.

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## GAULLISTS CONTINUE TO HOLD SLIGHT EDGE IN FRENCH POLLS

The Gaullists are expected to retain a majority, but a considerably reduced one, after the legislative elections on 5 and 12 March. Recent polls show a drop of 4.5 percent in the popularity of the Gaullist candidates in a two-week period, and indicate a continuing high percentage of undecided voters who could tip the scales against the government camp.

Fifth Republic candidates have appeared to be vulnerable on pocketbook issues. Premier Pompidou, however, has maneuvered skillfully to prevent weak points in the economy from generating national issues and the opposition has not been able to dramatize these or other issues.

Other factors in the Gaullists' favor are the massive support that the government is giving to Gaullist candidates and the widespread use, for the first time in France, of American campaign techniques. The material resources of the regime greatly outweigh those of the opposition, and these have been skillfully used to back government candidates, who get most of the free radio and television time.

In most electoral districts there will be a second round of

balloting on 12 March inasmuch as few candidates are likely to get the required 50 percent of the votes cast on 5 March. The crucial factor will be which candidates withdraw between rounds. Francois Mitterrand's Federation of the Democratic and Socialist Left is trying to persuade the Democratic Center headed by Jean Lecanuet to maintain all of its candidates on the second round to assure that large numbers of Center votes do not go over to the Gaullists, as happened in the 1965 presidential election. The Center, however, hopes to work out reciprocal withdrawal arrangements with Gaullist candidates covering a number of districts.

The Communist Party (PCF) claims it will refuse to assist any Center candidates by withdrawals. Such a stance would benefit the Gaullists, but there have been indications that the PCF may make exceptions to this rule in a few cases, as it did in 1962. The PCF has indicated it will withdraw its candidates who run behind Federation candidates; the Federation hopes the PCF will also withdraw its candidates who may run ahead of Federation candidates but are less well placed to defeat Gaullists.

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## MIDDLE EAST - AFRICA

Bickering among the Arab states widened the gulf between so-called "progressives" and "conservatives." Egypt, firmly convinced that the "reactionary" regimes of Jordan and Saudi Arabia are out to destroy Egyptian influence throughout the Arab world, has stepped up its harassment of those two countries. (For further details see the following article.) Syria and Iraq remain at odds over the oil pipeline that Syria seized last December, while Damascus continues to support Fatah terrorist operations across the Israeli border.

Congo's President Mobutu came out of his fight with Union Miniere with the prospect of lessened income for his government under a new contract signed on 17 February. Elsewhere in Africa, formerly stridently leftist Mali, after a couple years of soul-searching, signed a new financial accord with France which returns some French patronage to the former colony. France, however, may lose in another part of Africa, for there are signs that the upcoming referendum on Somaliland's continued association with France may go against Paris.

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Early election returns in India indicate that the ruling Congress Party will suffer a sharp reduction in its parliamentary majority. In the south Indian state of Kerala, an electoral front led by the Peking-oriented Communist Party has been swept to power with an even greater majority than had been expected. Congress Party President Kamaraj failed to win, but Prime Minister Gandhi handily won her contest for a parliamentary seat.

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## RIFTS WIDEN IN THE ARAB WORLD

The continuing Egyptian confrontation with Jordan and Saudi Arabia was highlighted recently by the Egyptian banning of overflights by US aircraft carrying arms to Jordan, and Jordan's withdrawal of recognition from the Egyptian-backed Yemeni Republic.

Egypt appears to be more than ever firmly convinced that the "reactionary" regimes of Jordan and Saudi Arabia are out to destroy Egyptian influence throughout the Arab world. Cairo radio continues its verbal flagellation of Husayn and Faysal as agents of Western imperialism, while the two monarchs retaliate with charges of Egyptian obstructionism in the struggle against Israel. This has led to further dissension among the Arab states as a whole and to an even sharper alignment of the "progressive" states against the "conservatives."

King Husayn's apparently successful recent round of fund-raising visits to Saudi Arabia and some of the Persian Gulf states has aroused further bleats from Cairo about the evils of the "reactionary" Saudi regime. For their part, Faysal and Husayn issued a joint communiqué after their meeting, condemning the "genocidal" war against the Yemeni people.

Hostilities have lately become more open between Nasir and

Faysal as well. The recent bombing of Najran in Saudi Arabia by Yemen-based Egyptian bombers is openly admitted by Egyptian officials. It is possible that further direct Egyptian action may be taken when the Saudi deployment of Hawk missiles near the Yemen border is carried out.

Further warnings to Saudi Arabia were voiced in a speech by Nasir on 22 February. He said that Egypt is willing to arm revolutionary forces in the southern Arabian peninsula, to support the struggle there against imperialistic forces, and "if a Saudi intervention takes place we are present in the Yemen and will always lie in wait for it." These pressures have apparently hardened the Saudi position toward settlement of the Yemen problem [REDACTED]

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It is indeed probable that the rift will continue to widen. Moreover, the Nasir regime apparently believes that US backing of the Saudi and Jordanian regimes is part of a grand strategy against Egypt. The further erosion of the situation is likely, as in the Yemen, to include harassment of US officials and to strain further Egyptian-US relations. [REDACTED]

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## SYRIAN-ISRAELI TALKS AGAIN CANCELED

The talks between Syria and Israel regarding their dispute over farming in the demilitarized zone may have ended for the time being, although local UN officials are still trying to bring the two together again. The fourth meeting was called off for the second time on 16 February, when Syria again refused to adhere to the limited agenda previously agreed upon. No new date was set for the session. Prospects for arranging another meeting, much less for reaching an accommodation on the substantive issue, appear slim.

Syria's intransigence, following its earlier acceptance of the agenda, may reflect the growing coolness that has been evident in Damascus toward Norwegian General Odd Bull, the UN chairman of the meetings. Damascus, however, may also have belatedly decided that even a strictly limited accommodation with the Israelis would be politically unwise at this time.

Following the collapse of the talks, another exchange of fire--the fourth since 20 January--took place along the Israeli-Syrian frontier on 18 February. One Syrian was killed. That night, a charge exploded near an Israeli water pipe close to the Jordanian border but did not cause any damage. The Israelis say they found leaflets nearby which identified the Syrian-supported Fatah terrorist organization as the perpetrator of the incident.

It was the eighth sabotage attempt within Israel in recent weeks, according to an Israeli spokesman, and the only instance in which the charge detonated. Four of these attempts, including the one on 18 February, occurred near the area of Jordan raided by the Israelis last November in retaliation for similar sabotage incidents mounted from that territory.

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## MALI SIGNS FINANCIAL ACCORDS WITH FRANCE

Mali will return to a semblance of French patronage under a new economic agreement signed in Paris on 15 February. Although details are to be worked out over a period of time, the agreement calls for Mali's phased return to the franc zone and to the West African Monetary Union, with France giving interim support to Mali's economy and helping to pay its foreign debts. French advisers presumably will be given a fairly free hand in reducing Mali's deficits, running its central bank, and overhauling its near-bankrupt socialist economy.

Bamako's rapprochement with France has been in the works for two years, and the current agreement represents a considerable softening of positions on both sides since the first bilateral negotiations broke down in mid-1965 over stringent French financial requirements which Mali found politically unacceptable at that time. During this interval, Mali has gradually transformed its stridently pro-Communist foreign policy to a more genuinely neutral one. Although it still receives large amounts of various kinds of Soviet and Chinese Communist aid, Bamako has increasingly refrained from the automatic endorsement of their foreign policies that was characteristic in an earlier period. In Africa, Mali has been shifting its friendships away from radical states such as Guinea

back to moderate, pro-French states such as Senegal and Ivory Coast.

President Keita has been even more careful in preparing various domestic factions for Mali's return to the French fold. Although the country is dominated by its single party, the regime includes a wide range of political leaders, extending from extreme radicals to conservative local bosses. Over the past year, Keita has effected several changes in the balance of these forces, which have had the effect of giving him a free hand to go ahead with the Paris deal. The party politburo's influence and foot-dragging ability has been reduced, some individuals with their own pro-French bias have been pushed into the background, and key extremist leaders have been given so many new duties they are swamped and unlikely to interfere with the President's plans.

Even if extensive French help is forthcoming, Mali's economy is likely to continue to have serious problems because of a lack of natural resources and high transportation costs. Furthermore, new political strains may arise, since Mali plans to retain its "socialist option" while trying to buttress this policy with French administrative know-how and finance it with French francs rather than the now virtually worthless Malian currency.

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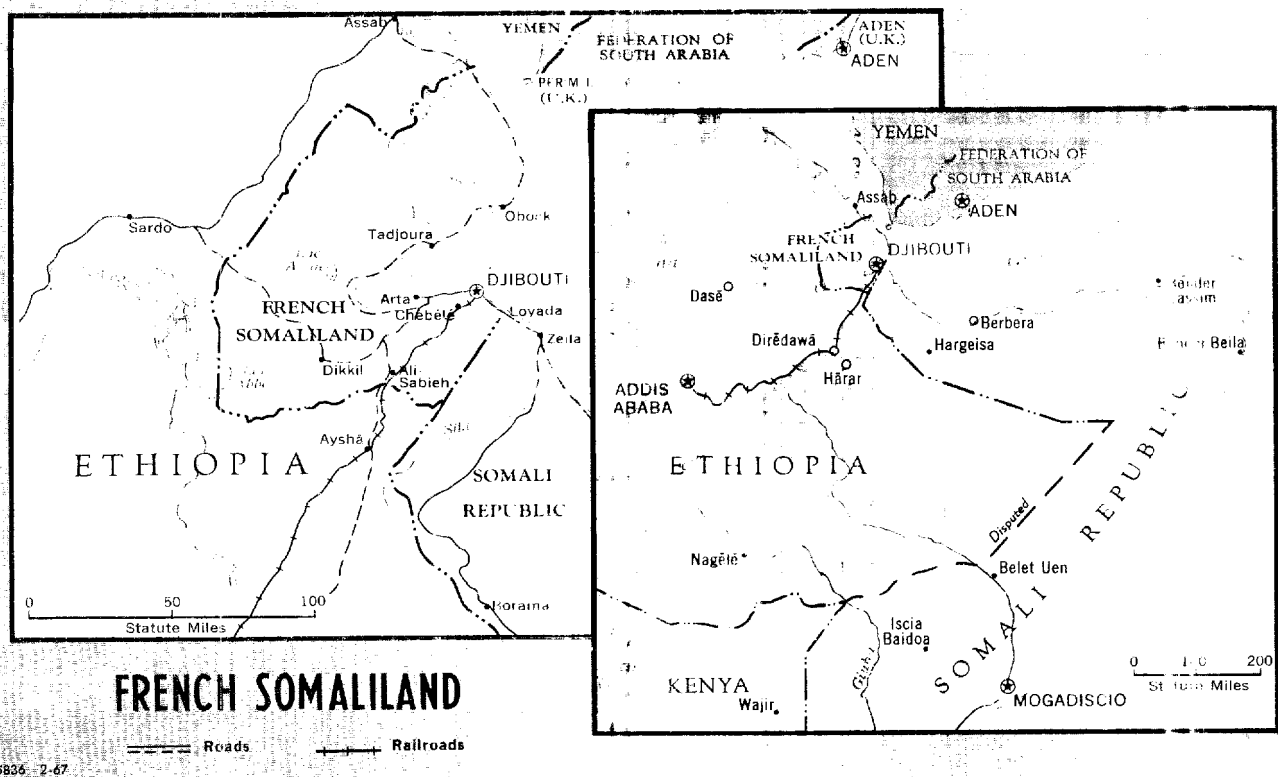
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## FRENCH SOMALILAND: THE MARCH REFERENDUM DRAWS NEARER

With only three weeks left before the 19 March referendum on Somaliland's continued association with France, there are signs that the vote may go against Paris. A serious split has developed within the territory's majority Afar tribal community, which has traditionally been pro-French. Several leaders of the Afar Democratic Union (UDA), one of the tribe's two parties, have announced they will campaign for independence. The Somali population, represented by the Popular Movement Party (PMP), is only

slightly outnumbered by the Afars and appears to be solidly in favor of independence.

However, the French are working hard to produce a favorable vote. They have long followed a policy of containing Somali nationalism by maintaining a majority of Afars in the population through controls on immigration, and in supporting Afar dominance by manipulating local elections. The French have recently resumed deporting



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Somalis from the territory, a policy they followed for a period after the riots that occurred during De Gaulle's August visit. Some Somalis have also been arrested and are being detained.

The Ethiopians, who wish to see the French remain, are co-operating with them in the hope that Djibouti--the terminus of Ethiopia's principal railroad--will remain in friendly hands. Ethiopian assistance consists mainly of propaganda support, with funds and food being channeled to the Afar community.

The Somali Republic, on the other hand, is working for a vote

for independence. Mogadiscio wants eventually to incorporate all Somalis within the Somali Republic.

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Paris has heretofore been optimistic that it would achieve a favorable vote by a small majority but, if the UDA split cannot be healed, this majority is endangered. However, French, Ethiopian, and Somali maneuvers make any estimate of the outcome of the vote hazardous at the present time.

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## WESTERN HEMISPHERE

Progress toward securing agreement on a summit conference agenda was achieved during the inter-American meetings in Buenos Aires this week. The specifics of the agreements to be enunciated by the hemisphere's presidents can be expected to cause more frictions before they are ironed out. Chances seem good, nevertheless, that when OAS diplomats meet again in late March they will be able to approve an agenda for a mid-April presidents' meeting in Punta del Este, Uruguay.

Although the Buenos Aires meetings were generally successful in setting the stage for the summit and overhauling the 1948 charter of the OAS, no clear-cut decisions on some controversial topics were reached. The talks showed that widespread agreement on any kind of permanent inter-American military body, or any truly effective common market arrangement, is far off at best. Also, solutions of Bolivia's quest for a sea outlet from Chile, and of Ecuador's border quarrel with Peru evidently remain remote.

Meanwhile, politics as usual are the order of the day elsewhere. The moderate Jamaica Labor Party (JLP) continues in power with an increased parliamentary majority following Tuesday's general elections. The presidential campaign in El Salvador continues to generate an occasional coup rumor, but the election is expected on 5 March and victory is predicted for the government party candidate, Colonel Sanchez. Farther south, the party of Johan Pengel, Surinam's minister-president, may run into some trouble in the 15 March elections partly because it has failed to form an electoral alliance with a powerful coalition partner.

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## ARGENTINE LABOR AVOIDS CLASH WITH GOVERNMENT

The threatened clash between the government and organized labor failed to materialize this week as both sides tried to avoid precipitating trouble during the inter-American meetings in Buenos Aires. Whether a confrontation can still be avoided will depend to a great extent on how the Ongania regime and the nation's workers react to additional strikes planned for the next few weeks.

The General Confederation of Labor (CGT) "Action Plan" for protesting the government's labor policies began quietly on 20 February with three-hour midday walkouts in scattered factory districts of Buenos Aires. When government propaganda made it clear that demonstrations and violence would not be tolerated, the CGT secretariat sent out word at the last minute to cancel the street demonstrations that were supposed to have accompanied the strikes. Security police were strongly in evidence, and there were no incidents.

While the unions continued their planned three-hour strikes, which were scheduled in Buenos Aires and other major cities through 24 February, the govern-

ment suspended the legal status of one railroad union that said it planned to hold demonstrations.

The unions' restraint in carrying out their strikes was also based on fear that the CGT leadership would be arrested and some key unions would be taken over by the government if the "Action Plan" got out of hand. President Ongania recently said that he did not favor government intervention of the CGT, but that he would press a policy of limiting CGT influence and would try to deal with individual unions rather than with the labor central.

This week's activities were the second stage of the CGT plan, which also calls for a 24-hour general strike on 1 March and a 48-hour walkout on 21 March. Although the anticipated confrontation has not yet developed, the possibility that some of the CGT moves may erupt in violence cannot be discounted. Hard-liners on both sides seem to be in favor of a showdown, and a clash between workers and police could bring a crackdown on the CGT and general repression of most unions.

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## CHILEAN SENATE RESCHEDULES CONSTITUTIONAL REFORM DEBATE

President Frei's proposal for constitutional revision came one step closer to approval or rejection last week when the Senate unexpectedly decided to vote on it within ten days rather than wait until the regular session resumes in April. The change was prompted by pressure from the executive branch, which had obtained legal opinions opposing Senate President Allende's earlier decision to delay action until 4 April.

The bill, which allows a president to dissolve congress and call new elections once during his term, was submitted by

President Frei after the Senate vetoed his proposed trip to the US. The US Embassy predicts now that even if Frei is able to muster the required majority to get it through the Senate, the bill may be loaded with amendments that would be unacceptable to the lower house. This would cause further debate and negotiations between the Senate and the Chamber of Deputies, and result in a lengthy delay.

Even after both Senate and Chamber have approved the bill, 60 days must elapse before they meet in joint session to give their final approval and present the bill to the President.

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## URUGUAY'S NEW GOVERNMENT TO TACKLE OLD PROBLEMS

For the first time in 16 years, Uruguayan affairs will be handled by a single president after the inauguration on 1 March. The cumbersome nine-man executive was scrapped by the electorate last November, largely because of its inability to deal with deteriorating economic conditions. At the same time, the Blanco Party was voted out of office and retired air force General

Oscar Gestido, a member of the Colorado Party, was elected to the presidency for a five-year term.

The new regime faces many serious problems, both economic and political. The rate of inflation, which was almost 50 percent in 1966, gives signs of reaching 40 percent in the first half of this year. There is

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some prospect, however, of a new and firmer approach to this problem. For example, most members of Gestido's economic team favor changing to a single exchange rate and the negotiation of a new International Monetary Fund standby agreement. In addition, they are studying a restrictive wage policy designed to complement efforts to slow the rate of inflation.

Unless such a wage policy is effectively applied to private as well as to public employees, however, it may ease one problem only to exacerbate another. Serious labor agitation among government employees, on whom the brunt of the 1966 counterinflationary wages policy fell, has finally forced Congress to vote them salary increases.

However, the underpaid public health employees are not satisfied with the increases and have been on strike for the past two weeks. The Communist-dominated National Workers Convention, which represents the large majority of organized workers, declared a general strike for 24 February in sympathy with

the health workers. The Communists will continue to exploit such popular, legitimate issues even though they have decided to forego agitation for purely political objectives. Inevitably, as inflation mounts and real wages decline, the government will have to contend with still more labor agitation.

Gestido's handling of this and other problems will be complicated by the lack of unity within his party. He has a three-seat majority in Congress, and has received initial declarations of support from all party factions, but after the initial honeymoon he probably will have difficulty retaining widespread support.

On the brighter side of the picture, however, Gestido has chosen a reasonably competent cabinet and has the reputation of being a good administrator. He won by a wide margin at the polls, and with the new powers granted by the constitution should be able at least to make a start on solving some of the country's problems.

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## INCREASED TERRORISM IN GUATEMALA

The rash of terrorism in Guatemala City last week was reportedly designed to ease the pressure on rural guerrillas who have suffered losses from recent government air strikes.

A popular air force officer was assassinated on 16 February, and on 18 February a gun fight between guerrillas and government forces caused the death of at least four persons, possibly including one guerrilla.

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In an effort to mollify the military, the government dismissed the ineffectual chiefs of the judicial and national police on 16 February. Estuardo Garcia Gomez, the new judicial police chief, has been closely involved with the ruling Revolutionary Party since 1958. Despite this, he is a revolutionary who has engaged in guerrilla and terrorist activity and reportedly has been associated with the Communist Party for a long time.

Colonel Victor Gamboa, the new chief of the national police, previously served as second chief of the President's military staff, a position he assumed on 1 July 1966.

These changes seem unlikely to prevent further terrorism and it is probable that the army, which is not responsible for policing the capital, will have to increase its activity in Guatemala City. The increased effort both in the field against the guerrillas and in the capital against terrorists may lessen the total effectiveness of the armed forces. [REDACTED] 25X1

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The military's reaction to the assassination of the air force officer was one of barely restrained anger. There have been bitter and emotional demands for action against San Carlos University, which terrorists use as a haven. [REDACTED] 25X1

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## JAMAICAN ELECTION GIVES GOVERNMENT PARTY NEW MANDATE

The moderate Jamaica Labor Party (JLP) continues in power with an increased parliamentary majority following Tuesday's general elections.

The JLP captured 33 of the 53 seats in the newly enlarged House of Representatives, with the remaining 20 going to the opposition Peoples' National Party (PNP). Successful gerrymandering contributed to the JLP win. The party polled only some 50 percent of the total popular vote, with over 49 percent going to the PNP.

All JLP cabinet officers running for re-election were returned to power, and the party showed surprising strength in Kingston. In the PNP camp, several doctrinaire socialists were defeated, indicating that the electorate rejected the PNP's "veer to the left" campaign platform. Party leader Manley, however, scoffed at suggestions that the party's socialist stance should be modified in future elections.

Acting Prime Minister Donald Sangster, who campaigned on the record of economic growth under the JLP, will lead the new government when it formally begins next month. Sangster is regarded as an able administrator, although he does not have the broad appeal or decisiveness of former prime minister Bustamante. Sangster is expected to continue pursuing moderate, responsible domestic programs and maintaining close ties to the US and Great Britain.

Most of Jamaica was peaceful as voters cast their ballots. In volatile West Kingston, however, several disturbances occurred despite virtual occupation of the area by police and military forces. In one incident, West Kingston PNP leader Dudley Thompson received a head cut for which he was later hospitalized, and his car and that of another PNP supporter were damaged by crowds.

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